

DNR NEWS

Energy and Waste Management Bureau

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DNR Contact: Jennifer Moehlmann (515) 281-8518

CRUDE PRICES RISE, THEN DROP, TAKING GASOLINE ALONG FOR THE RIDE

DES MOINES — Iowa's gasoline prices have continued to experience up-and-down swings, according to the DNR energy data analyst. After a significant drop in gasoline prices in late May, an early June price spike had gasoline prices rising again by an average of \$0.10. The DNR energy analyst believes such swings could continue to occur as the summer weather encourages drivers to get on the road.

"Gasoline prices are expected to remain volatile throughout the summer, generally in the \$1.40 to \$1.50 range" said Jennifer Moehlmann, energy data analyst for the DNR. "However, even higher price spikes are not out of the question, depending on what transpires with gasoline supply and demand."

From mid- through late-May, Iowa's gasoline prices dropped into the high-\$1.30s to the low-\$1.40s across Iowa, due to few gasoline-related refinery problems. However, in early June, gas prices spiked an average \$0.10 across the state. Spot-market prices rose nation-wide due to higher crude oil prices, tight inventories and problems at several gasoline refineries.

According to the DNR's June 18, 2003 fuel price survey, gasoline prices decreased \$0.01 from May 19, 2003 to an average of \$1.48 for a gallon of self-serve, regular unleaded gasoline. Prices across the state ranged from \$1.39 to \$1.67 per gallon and are \$0.17 higher than this time last year. The average price for regular unleaded with ethanol was \$1.46 per gallon. The latest data shows ethanol-blended gasoline represents 64.8 percent of the market share, the highest market share ever recorded in Iowa.

Retail conventional unleaded gasoline prices in Iowa are equal to the national average of \$1.48 per gallon and are \$0.03 lower than the regional average of \$1.51 per gallon.

After closing as high as \$32.17 per barrel in early June, crude oil finished trading on June 18 at \$30.36 per barrel, up \$2.17 from last month. One year ago, crude was \$25.57 per barrel. Crude has traded in the \$28 -\$32 range during the past month, fluctuating on oil traders' alternate worries about either too much or too little oil supply. National crude oil inventory is at 288.3 million barrels, down 10.7 percent from the previous year and below the normal range. The DNR

expects crude oil prices to remain volatile while U.S. inventories are relatively low, with prices ranging between \$27 to \$31 per barrel.

The average price of self-serve diesel fuel for June was \$1.45, down \$0.02 from last month and \$0.04 higher than the regional average of \$1.41 per gallon. Diesel fuel was \$1.30 per gallon one year ago.

Propane

The June 18th survey found the average retail price of propane was \$0.94 per gallon. This is \$0.01 higher than the previous month and 20.5 percent above the retail price of propane at this time last year. The price increase was caused by higher crude oil prices and still below-normal inventories.

Heating Oil Prices

The June 18th survey found the average retail price of No.2 heating oil was \$1.07 per gallon, \$0.02 lower than the previous month and 15.1 percent above the price of heating oil at this time last year. The price decrease was caused by lower demand and inventories that have lifted back up into the lower level of the average range.-

MOTOR FUELS SURVEY

Self-Serve	May 19	June 18	Change
Regular Unleaded	1.49	1.48	-0.01
Regular Unleaded with Ethanol	1.47	1.46	-0.01
Premium Unleaded	1.60	1.58	-0.02
Diesel	1.47	1.45	-0.02
Full-Serve	May 19	June 18	Change
Regular Unleaded	1.59	1.60	+0.01
Regular Unleaded with Ethanol	1.61	1.60	-0.01
Premium Unleaded	1.77	1.72	-0.05
Diesel	1.49	1.45	-0.04

HEATING FUELS SURVEY

	May 15	June 16	Change
Propane	0.93	0.94	+0.01
#2 Heating Oil	1.09	1.07	-0.02

AVERAGE SELF-SERVE UNLEADED PRICES IN MAJOR CITIES

	May 19	June 18	Change
Ames	1.50	1.45	-0.05
Cedar Rapids	1.48	1.47	-0.01
Council Bluffs	1.47	1.48	+0.01
Davenport	1.42	1.43	+0.01
Des Moines	1.51	1.47	-0.04
Dubuque	1.49	1.49	No Change
Fort Dodge	1.57	1.53	-0.04

Iowa City	1.52	1.53	+0.01
Sioux City	1.49	1.43	-0.06
Waterloo	1.44	1.43	-0.01
Average Metro Price	1.49	1.47	-0.02

AVERAGE SELF-SERVE UNLEADED PRICES IN RURAL IOWA

	May 19	June 18	Change
Northeast	1.46	1.48	+0.02
Northwest	1.52	1.51	-0.01
Southeast	1.50	1.49	-0.01
Southwest	1.50	1.50	No Change
Rural Area Average	1.49	1.50	+0.01

WHOLESALE PRICES IN METROPOLITAN AREAS AROUND IOWA

Unleaded (cents per gallon)	May 8	June 12
Des Moines	89.79	100.66
Dubuque	89.17	99.68
Diesel Fuel (cents per gallon)	May 8	June 12
Des Moines	80.88	87.39
Dubuque	81.95	88.46